Health & long-term care risk management

Atkinson, W. (2004). STRESS: Risk management's most serious challenge*? Risk Management, 51*, 20-24.

According to some leading insurance carriers, up to one-third of all workers' compensation claims can be attributed to stress on the job. Research shows that individuals who suffer from chronic stress run a higher risk of cardiovascular disease, brain atrophy, reduced disease immunity, cancer, diabetes, excess body fat, muscle pain, headaches, nutrient depletion, bone degeneration, anxiety and depression. The reasons for this are varied. Steps risk managers can take to reduce personal stress are discussed. The specific strategies fall into four areas: nutrition, exercise, sleep and relaxation.

Brenda, S. C. (2004). Changes in elderly disability rates and the implications for health care utilization and cost. *Milbank Quarterly, 82*, 157 – 195.

Recent research indicates declining age-adjusted chronic disability among older Americans, which might moderate health care costs in the coming decades. This study examines the trend's underlying components using data from the 1984–1999 National Long-Term Care Surveys to better understand the reasons for the declines and potential implications for acute and long-term care. The reductions occurred primarily for activities like financial management and shopping. Assistance with personal care activities associated with greater frailty fell less, and independence with assistive devices rose. Institutional residence was stable. More needs to be known about the extent to which these declines reflect environmental improvements allowing greater independence at any level of health, rather than improvements in health, before concluding that the declines will mean lower costs.

Chollet, D. (2003). Expanding individual health insurance coverage: Are high-risk pools the answer? *Health Affairs,* 349-352.

Thirty states operate high-risk pools intended to offer coverage to persons denied coverage in the individual health insurance market. But in most states the high-risk pool mirrors the individual market's problems: Coverage is expensive, the waiting period for coverage of preexisting conditions is long, and benefits may be limited. A few states with high-risk pools have addressed these problems by adequately funding high enrollment and comprehensive benefits; some also require the market to accept more risk. But most discourage enrollment in the high-risk pool in myriad ways and fail to ensure access to the individual market for persons with health problems.

Davis, E. & Leach, T. (2002). Long-term care insurance matures as a benefit. *Employee Benefits Journal, 27* (4), 3-5.

Discusses the maturation of long term care (LTC) insurance as an employee benefit. According to a recent survey, 48% of businesses offer some form of LTC insurance benefit, an increase of 15% since 1998. Favorable tax treatment, discounted premiums, portability, and security of coverage have motivated increasing numbers of employees to participate in LTC insurance benefit programs. Key issues for employers to consider are the cost for the employer and employees, premium increases, conditions of the benefits, the level of service provided, and the financial rating of the insurance company underwriting the policy. As more employers realize the added value of LTC insurance in the employee benefit package, they have found that motivation to buy varies with employee financial standing, gender, and age, and that targeted employee education as part of retirement planning is essential.

Delgadillo, L., Sorensen, S., & Coster, D. C. (2004). An exploratory study of preparation for future care among older Latinos in Utah. *Journal of Family and Economic Issues, 25* (1), 51.

Preparation for future care by 62 Latino elders was examined and compared to an Anglo sample of 288 elders residing in Utah. Latino older adults preferred relatives for help and assistance, but 91% of them (versus 41% for the Anglo sample) did not have any concrete plans for either short-term or long-term care. Logistic analyses show that age and knowledge of services are significantly related to planning for care, but education and filial obligations are not. Furthermore, ethnicity significantly predicted long-term care planning when its interactions with age and knowledge of services are accounted for. Knowledge of services and age played a greater role in facilitating preparation for future care for Latinos than for Anglos.

Doerpinghaus, H. I. & Gustavson, S. G. (2002). Long-term care insurance purchase patterns. *Risk management and insurance review, 5*, 31-43.

Given the aging population and high cost of long-term care, many Americans are concerned about financing long-term care services. Despite this concern, private long-term care insurance policy sales have experienced slow growth. On average only about 7 percent of the population aged 65 and older has long-term care insurance, but this percentage varies greatly across the states. In this study we test hypothesized relationships between purchase of long-term care insurance and various explanatory factors. We provide evidence that state Medicaid nursing home expenditure levels and the relative sizes of the elderly population and the nursing home population are significant explanatory factors of purchase rates. We find no evidence that public-private partnership regulation, the quality of available facilities, or agent marketing controls

affect purchase. Findings of the study are useful to insurers, legislators, regulators, and others involved in the public policy debate about financing long-term care.

Don R. R., Sirgy, J. M., & Lee, D. J. (2004). Further validation and extension of the quality-of-life/ community-healthcare model and measures. *Social Indicators Research, 69*, 166-198.

This paper extends and further validates the quality-of-life/ community-healthcare model and measures developed by Rahtz and Sirgy (2000). The quality of life (QOL) model is based on the theoretical notion that community residents' satisfaction with healthcare services available within their community affects community quality of life and life satisfaction. This study extends the model and, in keeping with past research, posits that the bottom-up spillover from community QOL to life satisfaction is greater for those individuals with low personal health satisfaction, lower income, and old age. Data were collected from 1094 community residents in the East-Coast area of the United States. The results provide good support of the new model. Managerial implications and applications for the new model are discussed.

Fan, J. X. & Zick, C. D. (2004). The economic burden of health care, funeral, and burial expenditures at the end of life. *The Journal of Consumer Affairs, 38* (1), 35-55.

Research suggests that widows and widowers experience substantial economic vulnerability. Using nationally representative data from the Consumer Expenditure Surveys 1980-2000, we describe pre-widowhood shifts in medical and funeral/burial expenditures and discuss how these changes may affect post-widowhood economic well-being. Our analyses suggest that funeral/burial and medical expenditures, when combined, typically constitute a 63.1% income share for recently widowed households. Discussion focuses on what role consumer educators can play in helping families better manage end-of-life expenditures

Forrest, C. B. & Riley, A. W. (2004). Childhood origins of adult health: A basis for life-course health policy. *Health Affairs, 23*, 155-164.

Many common chronic and mental disorders have modifiable precursors that arise during childhood. The life-course model of how health is produced provides a scientific basis for understanding the continuity between child and adult health. Life-course health policy seeks to promote the well-being of the young, both because of its intrinsic value and because doing so will improve the health of the population at all ages. It mandates increased attention to the promotion of biopsychosocial adaptability and other approaches to preventing the precursors to future disorders. Finally, it requires health policies to foster positive long-term outcomes focused on the individual, family, and community.

Friedemann, M. L., Newman, F. L., Seff, L. R., & Dunlop, B. D. (2004). Planning for long-term care: Concept, definition, and measurement. *The Gerontologist, 44*, 520-530.

Purpose: This study explores the development and testing of an instrument to measure long-term-care planning behavior. **Design and Methods**: Researchers operationalized proposed constructs and response styles as statements in a questionnaire. A telephone survey involved 150 randomly selected residents of Miami–Dade County, Florida who were between the ages of 55 and 70. Responses underwent exploratory and confirmatory factor analyses and reliability testing. **Results**: The trimmed long-term-care planning instrument of 23 items had five subscales with high internal reliability (coefficients >.70), a comparative fit index of.987, and a root mean square error of approximation of.050. Responses involved making choices about housing, readiness to use help from family and friends, maintaining one's health, saving and investing money, and not accepting the need to ask for help. **Implications**: Future research of long-term-care planning behaviors can use the instrument. Practitioners may use the instrument as a diagnostic inventory, alone or in combination with personalized educational interventions aimed at increasing awareness of and planning for future dependency and long-term-care assistance.

McAuley, W. J., Pecchioni, L. L., & Grant, J. A. (2002). The impact of living in a rural county with no nursing home on utilization rates and admission mobility patterns. *Journal of Applied Gerontology, 21* (1), 40-57.

This article uses long-term care data from one state (Virginia) to examine four hypotheses: (a) Rural counties are more likely than urban counties to have no nursing facility, (b) counties without a nursing facility will have lower nursing home utilization rates than counties having a nursing facility, (c) individuals admitted to nursing facilities who originate in counties with no facility will tend to experience moves of greater distance than their counterparts originating in counties having a facility, and (d) those admitted to nursing facilities originating in counties with no facility will tend to move to more urban settings. These hypotheses were supported by the analysis. The findings suggest that access to nursing home care may be more limited for individuals who live in counties without nursing facilities. Long-term care policy makers should give careful consideration to access in their methods for determining need for nursing home care and long-term care services in rural areas.

McCormack, L. A., Garfinkel, S. A., Hibbard, J. H., Keller, S. D. Kilpatrick, K. E., and Kosiak, B. (2004). Health insurance knowledge among Medicare beneficiaries. *Health Services Research, 37*, 43 – 63.

To assess the effect of new consumer information materials about the Medicare program on beneficiary knowledge of their health care coverage under the Medicare system. A telephone survey of 2,107 Medicare beneficiaries in the 10-county Kansas City metropolitan statistical area. Beneficiaries were randomly assigned to a control group and three treatment groups each receiving a different set of Medicare informational materials. The “handbook-only” group received the Health Care Financing Administration's new Medicare & You 1999 handbook. The “bulletin” group received an abbreviated version of the handbook, and the “handbook + CAHPS” group received the Medicare & You handbook plus the Consumer Assessment of Health Plans (CAHPS®) survey report comparing the quality of health care provided by Medicare HMOs. Beneficiaries interested in receiving information were oversampled. Data were collected during two separate telephone surveys of Medicare beneficiaries: one survey of new beneficiaries and another survey of experienced beneficiaries. The intervention materials were mailed to sample members in advance of the interviews. Knowledge for the treatment groups was measured shortly after beneficiaries received the intervention materials. Respondents' knowledge was measured using a psychometrically valid and reliable 15-item measure. Beneficiaries who received the intervention materials answered significantly more questions correctly than control group members. The effect on beneficiary knowledge of providing the information was modest for all intervention groups but varied for experienced beneficiaries only, depending on the intervention they received. The findings suggest that all of the new materials had a positive effect on beneficiary knowledge about Medicare and the Medicare + Choice program. While the absolute gain in knowledge was modest, it was greater than increases in knowledge associated with traditional Medicare information sources.

Meyer, J. (2004). Consumer-driven health plans: Design features to promote quality improvement. *Benefits Quarterly*, *20*, 23-31.

The most prevalent form of consumer-driven health plans (CDHPs) presents risks in terms of the cost, quality and appropriate use of health care. This article identifies those risks and shows employers how they can reduce them without compromising the overall cost-control potential of CDHPs. A good CDHP strategy should work on both the demand and supply sides of the market. The following design features affect the demand side of the health care market, influencing how consumers use the health care system: 1. Incorporate a front-end benefit for effective preventive services. 2. Introduce incentives for patient compliance with disease management and preventive care services. 3. Add a separate benefit for outpatient prescription drugs covering medications for chronic illness. 4. Make the personal care accounts sizable enough to cover a number of routine outlays. 5. Reduce the size of the gap between cash and coverage. 6. Make the insurance component of CDHPs comprehensive. 7. Include a stop-loss provision in the insurance feature.

Morales, L., S., Rogowski, J., Freedman, V. A., Wickstrom, S. L., Adams. J. L., and Escarce, J. J. (2004). Sociodemographic differences in use of preventive services by women enrolled in Medicare+Choice plans. *Preventive Medicine, 39*, 738-745.

The author examined the effect of sociodemographic factors on the receipt of mammography, colorectal cancer screening, and influenza vaccinations by women enrolled in two Medicare+Choice health plans. Administrative and survey data for 2,698 female health plan members was analyzed using multivariate logistic and ordinal logistic regression to assess the effects of enrollee characteristics on use of preventive services. Age, race and wealth were associated with the receipt of one or more preventive services. Older women were less likely to receive mammograms, wealthier women were more likely to receive mammograms and CRC screening, and Black women were more likely to receive CRC screening but less likely to receive influenza vaccinations. Wealthier women received a greater number of preventive services, other things equal, while older women received fewer preventive services. Race and wealth continue to be important factors in the receipt of preventive services by elderly women, though not always consistent with historical trends. Medicare+Choice plans should consider strategies to further reduce racial and wealth disparities in the use of preventive services.

Opiela, N. (2003). Guiding your clients through the long-term care maze. *Journal of Financial Planning*, *16* (6), 34-36.

This article presents the strategies from a number of financial planners on navigating the maze of long term care (LTC), from establishing networks with health care and social service professionals to teaming up with geriatric care managers. While many geriatric care managers coordinate home health care, in many situations, planners can also provide a valuable helping hand. The crisis situations that often prompt a panicked call to a geriatric care manager or a financial planner can be defused with advanced planning. Planning for health care, whether in an assisted living center, nursing home, or at home, should be part of the retirement planning process. For help in the evaluation process, clients can contact their local Department of Elder Affairs to review any complaints that may have been filed against a particular facility. While offering help with LTC decisions is clearly a value-added service, none of the planners actively market the assistance they provide; stating it merely illustrates their genuine concern for the overall well-being of their clients.

Ostuw, R. (2004). Engaging employees in health care can contain costs and improve quality. *Benefits Quarterly, 20*, 38-42.

Employers need to do much more to change some of the deep-seated employee attitudes and behaviors that are driving health care costs. This article debunks common employer misconceptions about employees' attitudes and behaviors with regard to health care. It then discusses the results employers can obtain by taking specific initiatives that provide employees with the motivation and resources they need to effectively manage health risks and make informed health care decisions. Some of the misconceptions are: 1. Employees recognize that health care costs are rapidly rising and acknowledge it's their responsibility to absorb some share of the increase. 2. Controlling costs is simply a matter of convincing employees to become "better health care consumers." 3. Traditional communication channels are adequate to help

employees manage their health care. 4. One-size-fits-all health care communications directed to all employees will be sufficient to change employee behavior and consumption patterns.

Roff, L. L., Burgio, L. D., Gitlin, L., & Nichols, L. (2004). Positive aspects of Alzheimer's caregiving: The role of race. *The Journals of Gerontology, 59B* (4), 185-190.

We examined differences in positive aspects of caregiving (PAC) among 275 African American and 343 Caucasian caregivers of individuals with Alzheimer's disease from the National Institutes of Health Resources for Enhancing Alzheimer's Care Health (REACH) study sites in Birmingham, Memphis, and Philadelphia. African Americans reported higher scores on PAC than did Caucasians. African Americans' higher religiosity partially mediated the relationship between race and PAC. Additional variables that contributed to their higher PAC scores were African Americans' lower anxiety, lower feelings of bother by the care recipient's behavior, and lower socioeconomic status.

Silva, A. (2004). Convergence of long-term care planning and retirement planning at the work place. *Journal of Aging & Social Policy, 16*(2), 85.

There is an increasing expectation that the private-sector should provide needed solutions to pressing problems in long-term care. Long-term care insurance has figured prominently in recent discussions. Within the long-term care insurance market, the potential of the employer in making such insurance available to employees has been discussed extensively. This paper traces the increasing convergence of retirement planning and long-term care planning at the work place. The long-term care insurance market has come a long way, and the employer sponsored segment of the market has recorded the highest rate of growth in recent times. Furthermore, the employer-sponsored market is beginning to diversify. Low take-up rates still remain a problem. Recent rapid growth of the market coupled with the federal government's involvement as an employer offering long-term care insurance is bound to expand the market further.

White-Means, S. I. & Hong, G. (2001). Giving incentives of adult children who care for disabled parents. *The Journal of Consumer Affairs, 35* (2), 364-389.

Using an economic framework, this study examines whether altruism and bequest incentives motivate adult children to care for disabled parents. Data from the 1992 Health and Retirement Study indicates that motives to increase bequests from parents and parents' disabilities influence adult children's decision about not working and giving time or money to disabled parents.

Williams, S. J., Elder, J. P., Seidman, R. L. &. Mayer, J. A. (2004). Preventive Services in a Medicare Managed Care Environment. *Journal of Community Health, 22*, 417 – 434.

The results of a four year demonstration project of preventive services for Medicare managed care enrollees suggest that health promotion programs can impact health behaviors and outcomes. The study provided selected preventive services to 1,800 Medicare enrollees in a managed care environment. Participants were randomly assigned to control and experimental groups with the experimental group receiving an intervention service package and the control group usual care. The results included enhanced health behavior practices, lower depression, and higher immunization rates among those individuals in the experimental group. This study suggests that selected preventive services can be provided in a managed care environment to Medicare enrollees with likely positive health status and utilization outcomes.

Yakoboski, P. J. (2002). Understanding the motivations of long-term care insurance owners: The importance of retirement planning. *Benefits Quarterly, 18* (2), 16-21.

Examined why individuals purchase long term care (LTC) insurance. Data were obtained from 2 recent reports by the American Council of Life Insurers that focused on the motivation for purchasing LTC insurance in both the group and individual markets. It was found that among LTC insurance policyholders, LTC insurance was thought to be an integral part of retirement planning. Interest in private LTC insurance is increasing, even among individuals under age 50. Furthermore, younger policyholders are more likely than their older peers to be motivated by a desire to protect their retirement lifestyle by protecting their accumulated retirement assets. The results suggest that market expansion will mean increasing diversity among policy owners, while workplace education encourages LTC planning by employees. Linking LTC education to retirement planning may promote coverage.

Zinkhan, G. M., & Balazs, A. L. (2004). A stakeholder-integrated approach to health care management. *Journal of Business Research, 57*, 984-989.

The health care system contains many actors, stakeholders and clients. The majority of articles on health care in the business administration literature report empirical results that are relevant to one or two or three of these stakeholders. Here, we make some progress toward identifying these key stakeholders and the complex relationships among them. In addition, we identify some key, emerging issues in health care research, including globalization, the influence of technology (e.g., the Internet), the funding of health care research and the diversity of research methods/approaches. While focusing on these issues, we also identify fruitful areas for future research.